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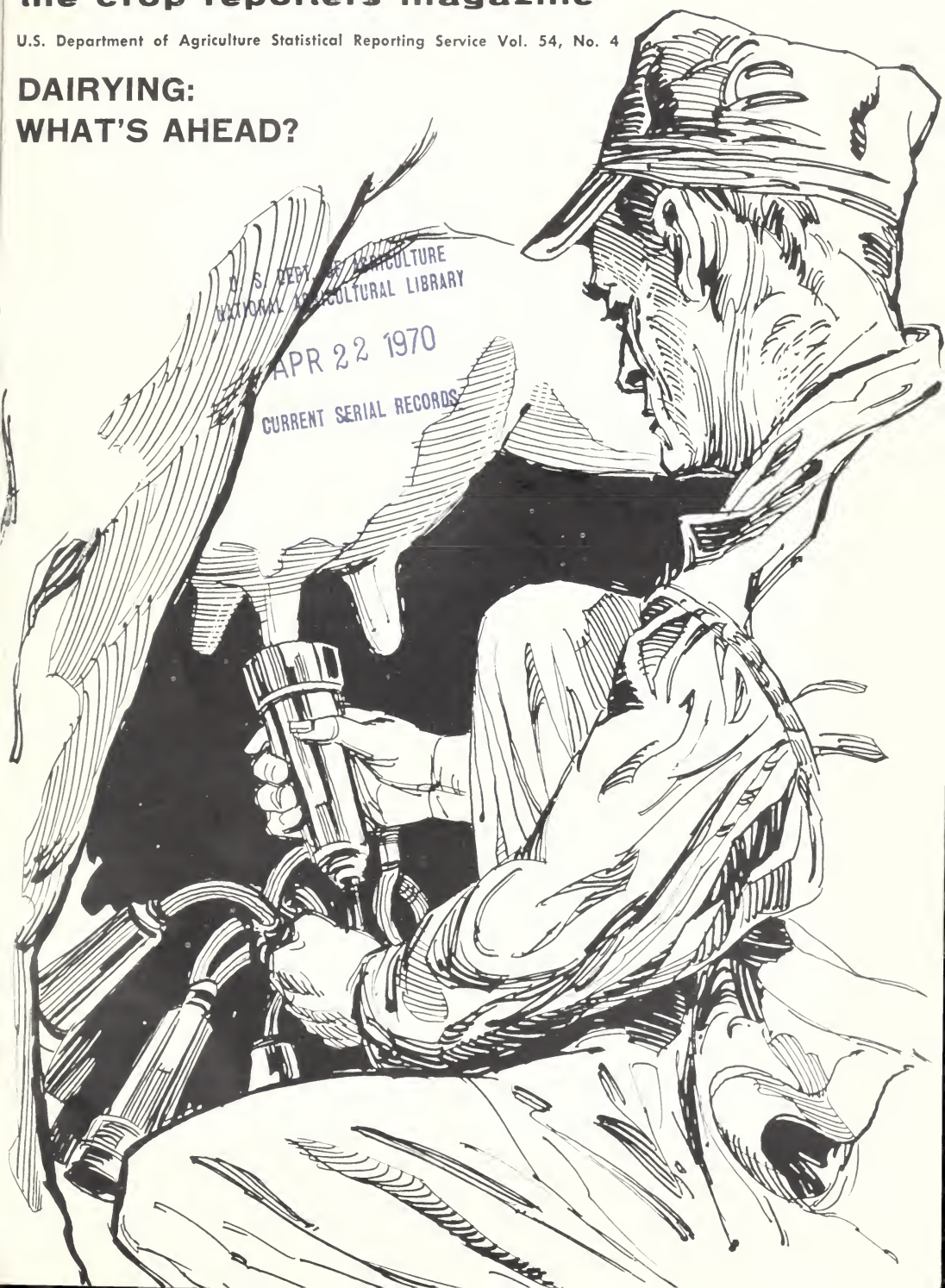


# agricultural SITUATION

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## DAIRYING: WHAT'S AHEAD?

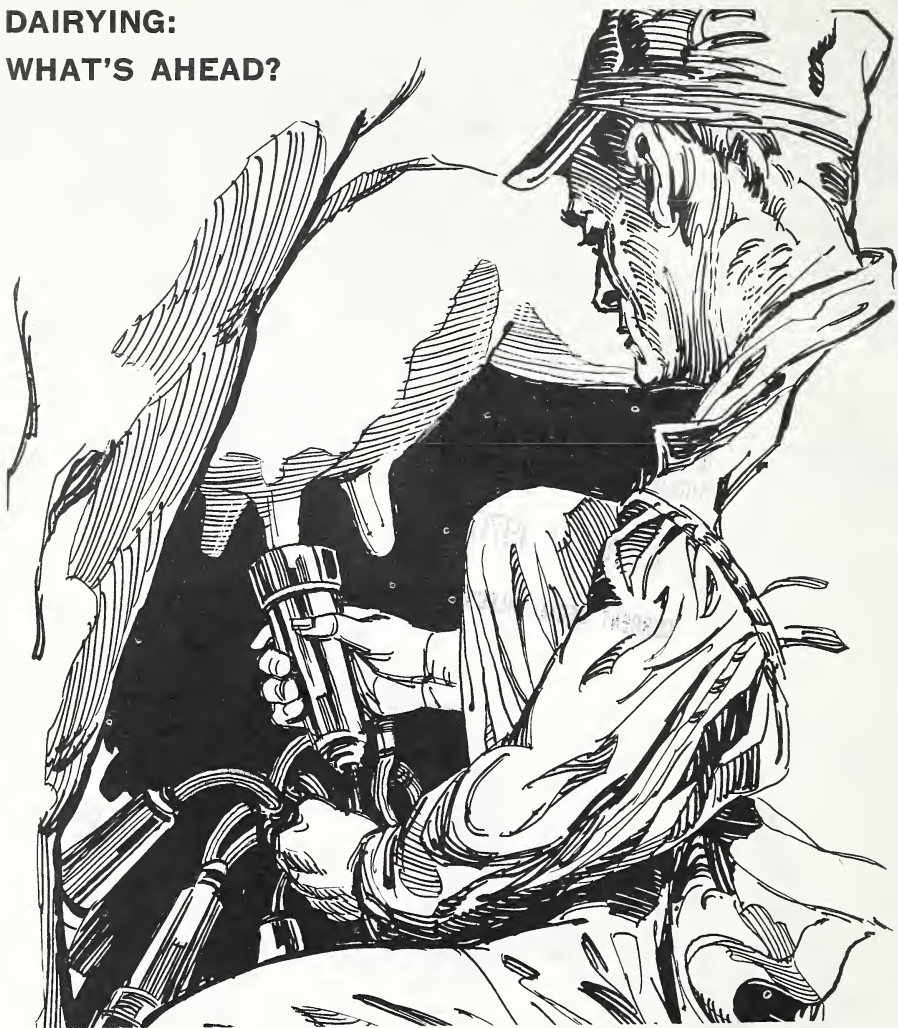


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## DAIRYING: WHAT'S AHEAD?



The seventies will see the number of dairy farms cut in half. The average herd size will increase markedly. These are the views of USDA dairy economist Tony Mathis in a look at dairying in this decade. They were based on assumptions that dairy supports and Federal order pricing wouldn't change from 1969 levels.

Much of what dairymen have to look forward to is more of what they've seen happen in the past.

There'll be fewer but larger operations. USDA estimates about 400,000

farms sell milk and cream today—by 1980 only 200,000 or fewer may be left in the dairy business.

However, tomorrow's operations will be far bigger—50 to 75 cows compared with the present average of 30. And though farms will still be largely family operations, *hired hands may count for a bigger part of all dairy labor.*

Wage rates undoubtedly will have gone up. And farmers may be paying premiums above going wages to keep the skilled workers they'll need because



of higher producing cows, more specialization, and increased mechanization.

Dairy cow numbers will keep going down and milk output per cow will continue going up. Mathis figures *milk cows by 1980 may well number about one-third fewer than today.*

At the same time, *national production per cow would climb—30 percent more than now.* DHIA animals are already averaging over 12,000 pounds of milk—and for good commercial herds, 14,000 pounds per cow isn't uncommon today. So there's still plenty of room for improvement in our present national herd average of 9,158 pounds of milk per cow.

Total milk output, though, may be down by 1980: output increases won't be big enough to counter the drop in cows. This raises the possibility that *production and market requirements could approach a balance in the seventies.* And if this happens, the dairy price support program won't be as important as it now is. Prices farmers receive for milk will be determined progressively more in the marketplace.

*Population and income gains will help dairy sales.* Our population should be 35 million people bigger by 1980, which will help maintain dairy markets despite a further drop in per person milk consumption. And rising consumer incomes will also spur dairy product sales.

*Total milk use will slip.* Even with a bigger population with bigger incomes, we probably won't use as much milk, measured on a fat basis, in 1980 as we do today. Use in all products could fall below 110 billion pounds (milk equivalent, fat solids basis) compared with 1969's 116 billion pounds.

But sales of low-fat products should offset any loss of milkfat sales. And the number of units of dairy products sold in 1980 probably will be up slightly from today.

*The price outlook a decade from now is pretty good.* Chances are producers' prices will go up more in the

seventies than they did in the sixties—when they rose about \$1.30 per 100 pounds of milk. But dairymen's production costs will be climbing, too—so not all of the price and income gains will be net.

Also, increased bargaining power and marketing efficiency that dairy farmers are now getting through new regional and interregional producer organizations will help keep prices in line with changing market conditions.

*More of milk's value will come from solids-not-fat, less from milkfat.* This trend—begun when the dairy price support program upped support prices for cheese and nonfat dry milk more than for butter—should pick up steam during the seventies.

The solids-not-fat market is on the rise as the demand for low-fat foods swells. Estimates for 1980 put our per person solids-not-fat yearly use at around 40 pounds, while use of milkfat may total only 16 pounds, compared with the present 21.

*Dairy farmers will move more rapidly toward a single grade of whole milk eligible for all uses.* A decade from now, marketings of manufacturing grade milk will largely be gone, just as marketings of farm separated cream are now.

Grade A's higher prices encourage many farmers who enlarge their herds or improve their barns or equipment to shift over from grade B production. And the "one grade" movement will really speed up if individual States adopt the recently recommended quality standards for manufacturing milk.

*Dairy product development will intensify.* 1980 should see many new dairy products and many new uses for milk solids. Picture such fluid products as iron fortified milks, fruit flavored milks, or perhaps fermented or cultured products such as koumiss or kefir, not generally available now. Milk will also be a building block in formulating new solid foods.

But dairy products will still face strong competition from other foods in 1980—many still to be developed.

# **ONE-MAN, 40-COW OPERATIONS**

Dairymen have boosted their labor efficiency to the point where the one-man 40-cow operation is typical of commercial dairy farms in Wisconsin and New York.

The Department's cost and returns reports on dairy farms are now based on a 30-49 cow operation as most typical for grade A milk production. These farms are generally run by one man with an occasional assist from his family. Hired hands are used only for harvest, if at all.

Wisconsin and New York rank first and second in U.S. fluid milk production, and the 30 to 49-cow dairy farms are now their most typical and productive operations. In the 1964 Census of Agriculture, this segment accounted for about 40 percent of cow farms yielding grade A and grade B milk, and 40 percent of total whole milk sold by farmers in each State.

This representative segment is growing faster in New York, where it is a larger part of the industry than in Wisconsin. Last year some 44 percent of New York dairy farms, but only 35 percent of Wisconsin's had 30-49 milk cows.

The central New York dairy farms are more specialized because competition for the use of farm resources is not as keen as in Wisconsin. In 1964

the share of area milk sales in New York was \$71 from every \$100 of farm product. Meanwhile, in Wisconsin, the area share was only \$48 out of every \$100.

Land and labor needs for the farm sector press on dairy farmers in south-east Wisconsin more than on those in central New York.

There are other differences. Land base for the 40-cow farm in New York is larger than in southeastern Wisconsin, but Wisconsin has a larger share of cropped farmland and more of it devoted to corn. There also are differences in distribution of harvested acreage, feed costs, and land values.

With only a fifth of cropped New York acreage devoted to corn (against Wisconsin's one-third) much of the New York dairy farmer's feed must be bought.

Most of it comes from the Midwest at higher prices. As a result, New York farmers average three times the feed costs of their Wisconsin counterparts. In fact the central New York dairy farmer spends \$40 for feed out of every \$100 of his cost outlays, against only \$15 for the dairyman's feed bill in Wisconsin.

Often, the Wisconsin dairy farmer grows more corn than he needs, in contrast to the New Yorker's grain deficit. Only farm-produced hay and roughage are normally adequate in both areas.

Finally, land values in central New York are much lower than in southeastern Wisconsin, because of fewer alternatives for the land in New York.

Current investment for land and buildings on 40-cow units in the Wisconsin dairy area are about double those on 40-cow dairy farms in central New York.

But, since the New York farmlands now are also feeling the increasing pressure of land competition from rural and nonfarm sources, one can only guess at how much longer the wide difference between New York and Wisconsin land values will continue.



Officially it's known as the Gem State, but more people probably think of potatoes when Idaho is mentioned. Idaho is the Nation's No. 1 spud State—outproducing runnerup Maine 2 to 1.

We asked James Olson, Statistician in Charge of USDA's Crop and Livestock Reporting Service in Boise, to describe the position of the potato industry in Idaho—where potatoes are not only the top agricultural product, but processing them is one of the State's biggest industries.

Researchers out there have worked out this formula to illustrate the potato industry's economic importance: For every dollar invested in potato production, farmers earn an estimated \$4.18. And an additional \$7.50 is pumped into the State's economy if those potatoes are processed in Idaho. That means potato production can add up to a whopping \$11.68 returned on each dollar invested.

Idaho's potato output has more than doubled in the past two decades. Twenty years ago, the State grew only about as many potatoes as Washington and California. Twelve years ago, output was up to the existing level in Maine—formerly the No. 1 producer. But today, Idaho is far and away the leader—thanks to its favorable climate and soils, the availability of land and irrigation water, and, perhaps most important of all, its big edge over other States in potato processing.

Few industries can match the spectacular expansion of Idaho's potato processors—who nowadays handle more potatoes than the State produced prior to 1957. Roughly three-fifths of Idaho's crop is processed, although fresh Idaho potatoes still abound and are famous for their high quality and versatility.

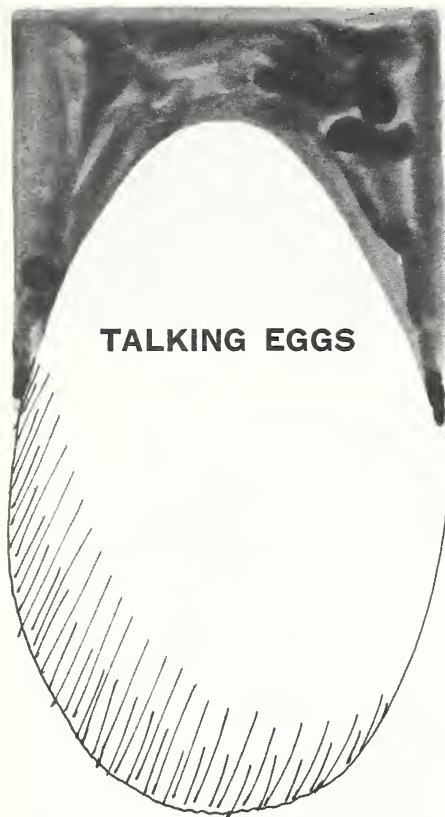
The multi-million dollar processing industry has an annual payroll of almost \$39 million, employs 10,000 workers, pays almost \$1.9 million in State taxes, and has about \$81 million invested in plant and equipment.

It's processing, too, that has reversed the drop in our per capita potato consumption. U.S. fresh use fell from 100 pounds in 1950 to 70 pounds per person in 1968. But during the same period, our use of processed products leaped from 6 to 45 pounds. Result: Our total use of potatoes has climbed from 106 to 115 pounds per person.

What about the future? It appears bright, both for the potato industry in Idaho and the rest of the Nation. By the year 2000, we'll probably be eating somewhere around 360 million hundredweight of potatoes; roughly four-fifths of this total will be in processed form. Between now and then, there will be intense competition among the various potato producing areas in the United States to attract processors.

Idaho, with its leadership position in processing as well as production, seems assured of a booming business in the years ahead.





What does one egg say to another? Some scientists think it eggs its neighbors to hatch. If so, understanding egg talk may be worth good money to the poultry industry—which presently is plagued by losses due to “egg infertility and nonhatchability.”

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## WHY SOYBEANS SELL

Twenty years ago, soybean oil accounted for a little over half the value of the soybean “crush.” Meal value accounted for the remainder.

Then world fats and oils supplies increased and soybean oil prices dipped. And demand for the protein-rich soybean meal as a livestock feed grew much stronger.

Scientists at Colorado State University note that game birds have a natural mechanism that synchronizes hatching. The birds may lay a dozen eggs over a 3-week span, but all eggs hatch within 5 or 6 hours of each other.

If the mechanism that controls this synchronization could be discovered, it might be possible to accelerate or retard the hatching time of chicken and turkey eggs.

Discovery of the mechanism might possibly increase the hatch in commercial hatcheries. For example, of 14,000 turkey eggs, 10,000 will probably be fertile, but only 8,000 will hatch. Physiological reasons may account for half the eggs not hatching. The remaining 1,000 fail to hatch for no apparent reason. If these 1,000 eggs could be made to hatch, it would mean that poultrymen could gross as much as an additional \$800.

Dr. Harry D. Muller of Colorado State University at Ft. Collins believes that there is a simple communication system between eggs. “Perhaps,” says Muller, “just the movement of the embryo in the shell is enough to stimulate the growth of embryos in surrounding shells.” And, this may be the secret of synchronizing hatch.

Dr. Muller will try to accelerate, retard, and synchronize egg hatches by testing different egg arrangements within incubators.

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Today, even though beans have a higher average oil yield due to improved varieties and more efficient extraction procedures, oil accounts for only about a third of the value of the crush. Meal’s share meanwhile has risen to two-thirds.

Soybean meal now accounts for over 85 percent of the high-protein oilseed meal produced in the United States and over 97 percent of our oilseed meal exports.



## **LIVESTOCK LOCALES**

Not too many years ago, if a west Texan had a few extra calves on hand, he'd soon be trucking them to the Fort Worth stockyards. From there, the calves would probably be bound for a Corn Belt feedlot.

Nowadays, all the west Texan probably does is drive to the nearest town. There are plenty of feedlots around the area that need calves now.

That's one example of the regional shifts that have brought some marked changes in the January 1 livestock inventories over the last decade. Here's a look at some of the shifts.

During the 1960's beef cattle numbers rose in most sections of the country. In 1959, there were 62.6 million in the beef herd; by 1970 they numbered 91.1 million. The larger herd, which produced ever larger calf crops during the 1960's, supported a burgeoning feeder industry.

Each year since 1959 has seen more cattle on feed. By 1970, our inventory of cattle on feed was 13.2 million, compared with 1959's 6.6 million.

The Corn Belt—Iowa and Nebraska in particular—retained the lead as the Nation's leading feeder area. The Corn Belt, with plenty of feed, had over 40 percent more cattle on feed in 1970 than a decade earlier.

However, the development of hybrid grain sorghum, plus irrigation, provided home-grown feed for Texas cattle in the Texas High Plains. Fed cattle numbers there rose fourfold, giving the Southern Plains area, and Texas in particular, the highest growth rate for

fed cattle production in the Nation. And, as long as feed grains are available, Texas will probably remain among the top feeding States.

The Northern Plains scored the second highest rate of increase for fed cattle numbers from 1959 to 1969. The growth rate there was well over 100 percent. Corn and sorghum from newly irrigated fields provided inputs for expansion.

Cows and heifers 2 years old and over kept for milk fell from 20.1 million in 1959 to 13.9 million in 1970. The largest regional reductions in dairy cattle were in the Corn Belt and the Northern Plains, which both lost around 40 percent. There, opportunities opened up for greater returns from hog, beef, and grain production.

The Lake States, largest dairy center, experienced a 20-percent reduction in milk cow inventories, one of the smallest reductions in the Nation. In many cases, costs sunk in equipment made conversions to other kinds of farming unattractive in this area.

In 1959, hogs numbered around 58.0 million; in late 1969, they numbered 56.7 million. Hog numbers fluctuated some during the decade of the 1960's, but were normally stable.

Regionally, hog numbers fell in the Northeast and Pacific regions. Most of the other regions and States lost just a bit in hog numbers. The gain was in the Corn Belt, which picked up hogs lost in most other regions. Iowa, for example, had 13.0 million hogs in 1959 and 14.0 million in 1969.

# LIVESTOCK FEED EFFICIENCY:

## WHY IT'S ON THE RISE

- *Lower mortality rates.*
- *Better blood lines.*
- *More specialized farms.*

Most farmers are getting more animal output per pound of feed these days. In fact, their increase in feed efficiency cut production costs on most species of animals during the 1960's.

There are numerous reasons why overall feed efficiency of the Nation's poultry and livestock rose during the last decade. For example:

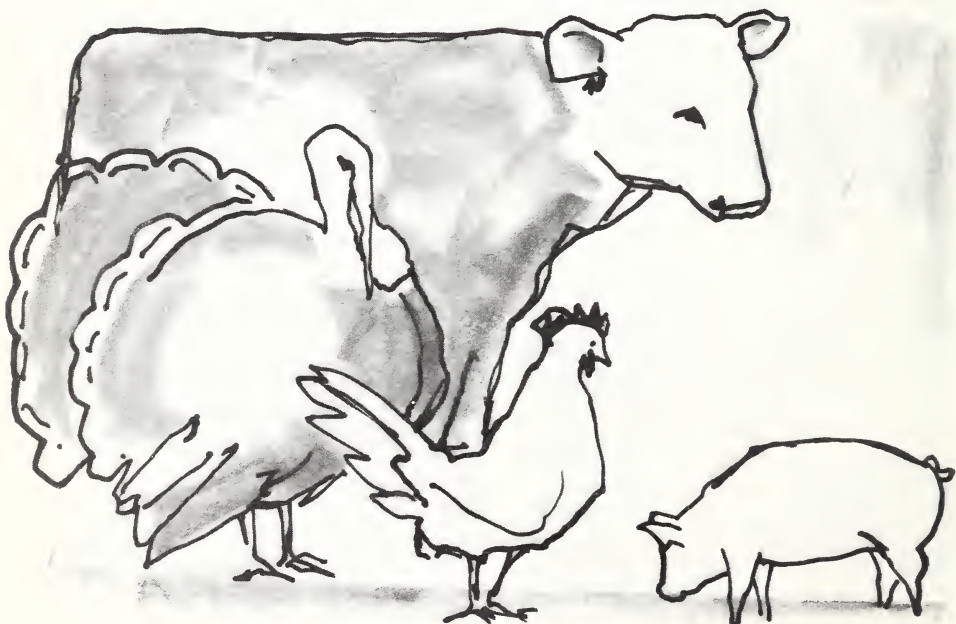
—Livestock and poultry mortality rates declined.

—Today's larger farms are usually able to afford better blood lines.

—There has been a trend toward specialized farms, such as the huge poultry feeding complexes in the Southeast. The farm that produces just one thing is usually better at its specialty than the general farm.

*Cattle on feed:* Liveweight production of cattle on feed increased 112 percent between 1959 and 1968. Despite this more than doubling, there was only a 67-percent jump in feed consumption.

Some of the reasons for the increase in feed efficiency include:



—Operators of the larger feedlots are feeding to lighter finished weights than the small farmer feeder.

—Feedlots turn over their cattle faster.

—The use of growth additives has increased.

*Dairy cattle:* Dairy men have also increased feed efficiency. Between 1959 and 1968, milk cow numbers declined 25 percent, feed consumption dipped 27 percent, but milk production fell only 5 percent. Ten years of heavy culling and selective breeding have improved the U.S. milk cow herd immensely.

*Hogs:* Feed efficiency remained nearly unchanged from 1959 to 1968; however, the 1 percent liveweight production rise does not reflect the decrease in lard, and the increased yields of desirable cuts from U.S. hogs.

*Broilers:* There was 63 percent more broiler output in 1968 than in 1959, but only 48 percent more concentrate was being fed. Large contract producers marketed lighter weight birds for TV dinners that actually consumed less feed to produce. So, like feeder cattle, broilers were often marketed at lighter weights. Selling off young birds meant faster turnovers, too. Producers also have used growth additives and better disease control measures to increase feeding efficiency.

*Layers:* Layers are less efficient than in 1959. The Nation's egg production increased 11 percent, but there was a 13 percent increase in concentrates fed.

The elimination of many farm flocks was the reason for the loss in feed efficiency. Farm flocks tended to run loose and find much of their own food, which was not counted on the farm's feed records. On today's commercial farms, everything the layers eat comes out of the feedbag.

*Turkeys:* Turkey production increased 39 percent, while feed consumption rose 32 percent. That averaged out to a slight increase in feed efficiency per year.

## HIGH-PROTEIN PEAK

Strong demand this year, especially from poultrymen, is expected to lift high-protein feeding over the 19-million-ton mark for the first time.

The total—now forecast at 19½ million tons—would be nearly a million above 1968–69.

Soybean meal will more than make up for reduced supplies of other protein feeds, especially fish and cottonseed meal. The 13 million tons of soybean meal will account for two-thirds of the total proteins fed.

Cottonseed meal feeding probably will drop some 200,000 tons or 10 percent from the 2.1 million of last year—result of a similar size cut in 1969 cotton production.

Our fishmeal supplies in the 1969–70 feeding year likely will be way below those of last year—due to a world shortage brought on largely by reduced output from Peru.

High-protein-consuming animals in the 1969–70 feeding year may be about 3 percent more than the year before. The gain is principally because of increased poultry—a heavy consumer of high-protein feed.

Also, the rate of feeding per animal unit this year should equal or slightly exceed the liberal rate fed in 1968–69.

Feed rates in October–December were running close to a year earlier. Liberal feeding rates will be encouraged by favorable livestock-poultry/feed-price ratios, which last winter were even better than in 1968–69.

To give our readers a clearer picture of U.S. farming in all its modern diversity, *Agricultural Situation* presents the second in a series of farm photo-essays. These farms have been selected by USDA farm management specialists as typical of good commercial farm businesses in various production areas.

They are *not* average farms . . . they are definitely above average. But they are not showplaces either. They represent the modern farm businesses that can be readily found in their production areas, and which produce the bulk of America's farm products today.

## PORTRAIT OF A FARM



Wheat harvest is a family affair on the 1,400-acre Max Nelms' farm in southwestern Nebraska. Max and his 14-year-old son, Merrit, drive combines, while Mrs. Nelms trucks the wheat to the storage bins.

The Nelms' farm produces 5,000 to 7,000 bushels of wheat a year on about 300 harvested acres, varying mostly with the weather.

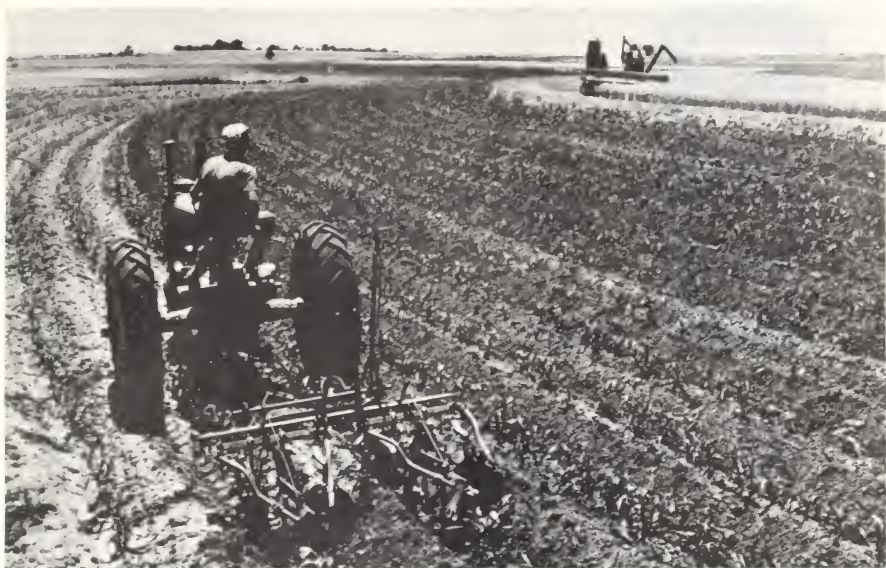
The farm typifies the Great Plains wheat belt—deep silty soils that roll on and on, broken by steep rough ground that is used for livestock grazing.

Rainfall is scanty—20 inches a year on the average—so the farmers use only about half their cropland each year—letting the other half lie fallow to soak up moisture for the next year's crop.

Nelms keeps his machinery costs down by buying used equipment, repairing it in his own shop.

Both grain sorghum and wheat are grown on the contour to prevent erosion and trap as much moisture as possible. The Nelms grow some 200 acres of grain sorghum for livestock feed; another 66 acres are planted to corn sorghum and millet for forage





and silage. The wheat is harvested in mid-July, the sorghum in October.

The Nelms have a 60-cow beef-breeding herd and also raise hogs to make full use of the family labor and increase their income. They're presently selling only steers from the beef herd, keeping the heifers for herd expansion. The cattle graze on the 500 acres of Nelms' land not suited for crop production.

Nelms sell about 170, 200-pound market hogs a year, fed with grain sorghum and forage grown on the farm.

Gross farm income from both crops and livestock and Federal farm program payments is about \$24,000 a year. Operating expenses, interest payments, and debt repayments reduce the amount available to the farm operator for family living expenses much below the \$24,000.

Mrs. Nelms is choir leader for her local church in addition to managing the household and helping with the farm work. She also helps the family income by boarding a dozen or so pheasant hunters who stay at the Nelms' big 15-room house during the hunting season each fall.



# outlook

Digested from outlook reports of the Economic Research Service.  
Forecasts based on information available through... April 1, 1970

**PLANTING INTENTIONS.** According to the March 1 survey, farmers intend to plant a total of 258 million acres to 17 crops this year—3 percent or 6.4 million acres more than in 1969.

●

**ACREAGE INCREASES** are in line for: corn, 2.4 million acres . . . sorghums, 1.1 million . . . oats and soybeans, nearly 1 million each . . . other spring wheat, 754,000 acres. Also slated for increases are: barley, cotton, all hay, flaxseed, potatoes, dry peas, and peanuts.

●

**LESS LAND** is likely to go into durum wheat, probably a million acres less than 1969 . . . rice, will be off 321,000 acres . . . and sugarbeets, 155,000 acres less. Also down will be acreages of sweetpotatoes, tobacco, and dry beans.

●

**ACTUAL PLANTINGS,** of course, may change later on as farmers react to Government programs, weather, labor prospects, and other economic factors during planting time.

●

**FARROWING INTENTIONS** . . . Production pickup in hogs appears underway. Producers in 10 Corn Belt States reported their intentions to have 7 percent more sows farrow in March–May than a year ago. Increases ranged from 2 percent in Wisconsin to 15 percent in Kansas. Iowa, No. 1 hog State, expects a 5-percent rise.

●

**LAND PRICE LOWDOWN** . . . Farm real estate prices moved up only 2 percent during March–November 1969—half the rate of increase for the comparable 1967 and 1968 periods. The total market value of farm real estate last November was estimated at \$207.3 billion.

**LAND PRICE GAINS** weren't up to earlier years chiefly because of tight farm mortgage money from commercial lenders and high rates of interest. Another reason could have been general uncertainty over income from wheat and feed grains.

●

**MARKET SLUGGISHNESS** was noted by nearly half the Nation's real estate reporters in 1969, as buyers shied away from long-term investments or couldn't get credit to finance land purchases. By type of farming area, the sharpest declines in farmland sales were in the Corn Belt, cotton, and California specialty areas.

●

**SELLERS TAKE UP SLACK** . . . Last year sellers provided about 60 percent of the credit for farm real estate purchases, compared with 54 percent in 1968. Insurance companies nearly dropped out of the farm lending market. The share of credit they provided fell from 17 to 8 percent. They were hard pressed by policy loans last year and also found nonfarm loans more profitable because restrictive usury laws don't apply to corporate borrowers.

●

**MARKET BASKET REVIEW** . . . Consumers paid \$1,173 for USDA's market basket of farm foods in 1969—a record high. The farm value of the foods was up 10 percent, or \$42, while the cost of marketing rose by 2 percent, or \$13.

●

**FARMER'S SHARE** . . . Increases in the farm value were responsible for about three-fourths of last year's rise in the retail cost of the market basket. As a result, farmers got 41 cents of the consumer's retail food dollar in 1969—2 cents more than the year before. In the 1960's the annual farmer's share ranged from 37 to 41 cents.

●

**FOOD SPENDING SPREE** . . . U.S. shoppers will probably spend about \$4½ billion more on food this year than last, if their incomes rise as much as expected. That'll bring the national food bill up to around \$108 billion by year's end.

●

**FOOD PRICE RISES** shouldn't be as big as 1969's hike. Economists foresee gains of only 3½ to 4 percent. Per capita food supplies probably will be a bit bigger, particularly in the second half when more meat and poultry will be available. And shoppers may shift over to lower cost foods, as happened last year.



**PAST TRENDS . . .** Sharp as 1969's 5.2 percent food price rise seemed to shoppers, it didn't match the 5.5 percent increase in consumer prices for all items other than food. Over the past 10 years, food price increases haven't quite kept pace with what's happened elsewhere in the economy. In 1969 food prices were 2 percent below the price increase for all consumer goods and services compared with 1957-59.



**RESTAURANT FOOD PRICES** have climbed most in recent years, contributing to a 61-percent gain in what we spent for food away from home during the 1960's. Our spending on store-bought food, where the price rise wasn't as great—rose 45 percent.

## STATISTICAL BAROMETER

Item	1957-59 average	1969	1970—latest data available	
Prices received by farmers	100	114	120	Feb.
Prices paid, interest, taxes, wage rates	100	127	132	Feb.
Parity ratio (1910-14=100)	—	74	75	Feb.
Consumer price index, all items	100	128	132	Feb.
Food	100	126	132	Feb.
Agricultural exports (\$bil.)	4.2	5.9	.5	Jan.
Agricultural imports (\$bil.)	3.9	5.6	.5	Jan.
Personal income (\$bil.)	321.5	629.7	647.5	(2)
Expenditures for food (\$bil.)	66.3	103.6	105.2	(2)
Share of income spent for food (percent)	20.6	16.5	16.2	(2)
Farm food market basket: <sup>1</sup>				
Retail cost (\$)	983	1,173	1,228	Feb.
Farm value (\$)	388	477	505	Feb.
Farmers' share of retail cost (percent)	39	41	41	Feb.
Realized gross farm income (\$bil.)	36.5	54.6	55.1	(2)
Production expenses (\$bil.)	24.9	38.6	38.9	(2)
Realized net farm income (\$bil.)	11.6	16.0	16.2	(2)

<sup>1</sup> Average quantities per family and single person household bought by wage and clerical workers 1960-61 based on BLS figures.

<sup>2</sup> Annual rate, seasonally adjusted fourth quarter 1969.





## FREE: BEEF BROCHURE

Thinking of adding a beef finishing operation to your farm enterprise?

Then you'll want this free pamphlet, "Finishing Beef Cattle," FB-2196. Included in its 30 pages are descriptions of some of the most common feeding systems, feeder cattle types and buying tips, kinds and quality of feeds, and suggested feed ration formulas.

For a copy, send a post card with your name, address, and zip code to:

Beef Finishing,  
Agricultural Situation,  
OMS, USDA,  
Washington, D.C. 20250.

## COFFEE TO COST MORE

Your morning cup of coffee is going to cost you more this year than in 1969—all because of a killing freeze last July in Brazil.

Most of the 1969 crop had already been harvested when the cold hit—which is why you haven't noticed the freeze's impact before. It's this year's coffee crop that suffered—just how much will be better known when harvesting actually begins in May. But the 1970 crop—and the next few after—will undoubtedly be smaller. No real world shortage of coffee is foreseen for this year, though.

These developments mark a reversal of the world coffee situation and outlook—which had been characterized by surplus production and low prices.

We used an estimated 14.7 pounds of coffee a person last year—a figure we probably won't match in 1970. Consumption probably will drop some due to the higher prices caused by shorter supplies.

High retail prices tend to encourage people to stretch the supply by brewing weaker coffee. And of course, some people may start drinking more of other beverages—milk, soft drinks, cocoa, or tea.

**MAY 1970**

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## AGRICULTURAL SITUATION

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